

MAINE STATE LEGISLATURE

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L.D. 2463

(Filing No. H- 762)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE OF CONFERENCE AMENDMENT "A" to H.P.
1799, L.D. 2463, Bill, "AN ACT to Fund a Supplemental
Highway Program and to Establish a Program to Fund the
Construction of Extraordinary Bridges."

Amend the Bill by striking out everything after
the title and inserting in its place the following:

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

Whereas, the State is experiencing an
unanticipated loss of federal highway construction
funds of approximately \$20,000,000 this biennium due
to federal budget cuts; and

Whereas, the State's highway system is in need of
considerable improvements to reach safe, modern
standards; and

Whereas, the State is faced with the need to
construct or reconstruct several bridges of unusual
size and complexity; 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

1 preservation of the public peace, health and safety;
2 now, therefore,

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

5 PART A

6 Sec. 1. 5 MRSA §1513, sub-§4, as enacted by PL
7 1987, c. 349, Pt. H, §4, is amended to read:

8 4. Exception. Notwithstanding any other
9 provision of law, for the period starting July 1,
10 1988, and ending June 30, 1989, the fund may exceed
11 \$25,000,000 but not more than \$48,000,000 and
12 expenditures may be appropriated from the fund by the
13 2/3 vote of the Legislature upon recommendation of the
14 Governor only for the purpose of paying to the Maine
15 State Retirement System such amounts as may be deemed
16 appropriate after the conclusion of the study
17 authorized in Public Law 1987, chapter 68 and for
18 purposes set out in subsection 2. In addition, during
19 the period starting July 1, 1987 and ending June 30,
20 1988, the sum of \$13,200,000 may be appropriated from
21 the fund by the 2/3 vote of the Legislature only for
22 the purpose of paying to the Department of
23 Transportation \$12,000,000 for highway and bridge
24 construction and \$1,200,000 to fund state assistance
25 to municipalities for salt and sand storage
26 facilities. In the event that federal highway funds
27 are restored in sufficient amount that no additional
28 fuel tax increase is made effective in fiscal year
29 1988-89, after receipt of the funds, the excess over
30 \$7,600,000 in restored funds, but not more than
31 \$12,000,000, shall be transferred to the Rainy Day
32 Fund or, if that fund is at its ceiling, to the
33 General Fund and no additional payment from the
34 Highway Fund shall be required. This subsection shall
35 be repealed June 30, 1989.

36 Sec. 2. 23 MRSA §§610-H to 610-J are enacted
37 to read:

38 §610-H. Legislative findings

39 The Legislature finds that the construction or

1 replacement of several extraordinary bridges is vital
2 to the economic well-being of the State and necessary
3 to the movement of vehicular traffic.

4 The Legislature further finds that, due to the
5 size and complexity of these structures, the costs
6 associated with construction or replacement of these
7 extraordinary bridges are so high that special funding
8 provisions are warranted.

9 §610-I. Extraordinary bridges

10 For the first regular session of each Legislature,
11 the department shall prepare a work program for the
12 construction or major reconstruction of bridges that
13 the department considers to be extraordinary bridges.
14 Extraordinary bridges are those bridges which are a
15 vital part of the State's arterial highway system and
16 of such a size and complexity that they are
17 extraordinarily expensive to construct or
18 reconstruct. The work program shall be presented to
19 the joint standing committee of the Legislature having
20 jurisdiction over transportation and shall include
21 estimates of scope of work, cost estimates and
22 estimated completion dates.

23 §610-J. Extraordinary Bridge Construction Reserve

24 1. Deposit of funds. Such funds as are made
25 available for the purpose of extraordinary bridge
26 construction shall be deposited by the Treasurer of
27 State in a separate reserve within the Highway Fund to
28 be known as the Extraordinary Bridge Construction
29 Reserve.

30 2. Legislative approval of budget. Expenditures
31 from the Extraordinary Bridge Construction Reserve are
32 subject to legislative approval in the same manner as
33 any other expenditures from the Highway Fund.

34 3. Use of funds. Money in the Extraordinary
35 Bridge Construction Reserve may only be used to defray
36 the costs associated with the construction or major
37 reconstruction of bridges identified pursuant to
38 section 610-I as extraordinary bridges. Permissible
39 costs shall include preliminary engineering,

1 right-of-way acquisition, construction and major
2 reconstruction.

3 Sec. 3. 23 MRSA §1803-A is enacted to read:

4 §1803-A. One-time stipend

5 In fiscal year 1989, a one-time stipend payment
6 shall be distributed to municipalities and counties as
7 follows.

8 1. Supplementary stipend. The supplementary
9 stipend for each municipality or county shall be 22%
10 of the amount paid to the municipality or county under
11 section 1803 in fiscal year 1988.

12 2. Payment. The supplementary stipend shall be
13 paid to each municipality or county in a single
14 payment in January 1989.

15 3. Sunset. This section is repealed June 30,
16 1989.

17 Sec. 4. 23 MRSA §1851, first ¶, as enacted by
18 PL 1987, c. 473, is amended to read:

19 The department may administer bond issue funds
20 for the construction of municipal or county salt and
21 sand storage facilities in order to reduce salt
22 pollution of ground and surface waters. Any bonds
23 issued under this section shall be paid for out of the
24 Highway Fund. In administering these funds, the
25 department shall provide reimbursement to municipal
26 and county governmental entities for approved projects
27 according to the order of priority established
28 biannually by the Department of Environmental
29 Protection. Allocation of funds shall be based upon
30 1.25 times the ratio of miles of state and state-aid
31 roads maintained for winter maintenance, as described
32 in sections 1001 and 1003, to all miles maintained for
33 winter maintenance by the municipality,
34 quasi-municipal agency or county. The department
35 shall establish guidelines to reimburse eligible local
36 government entities in a consistent and timely manner.

37 Sec. 5. 23 MRSA §1852 is enacted to read:

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1 §1852. Salt and sand storage facilities

2 In addition to the provisions of section 1851, and
3 prior to calculating reimbursement under that section,
4 the department shall reimburse each municipality and
5 county for 25% of the expenses permitted under section
6 1851 and incurred for the construction of salt and
7 sand storage facilities approved under section 1851.

8 Sec. 6. 23 MRSA §1961, as amended by PL 1987,
9 c. 457, §1, is repealed and the following enacted in
10 its place:

11 §1961. Legislative findings; cooperation with the
12 Department of Transportation; bonds;
13 governmental function

14 1. Legislative findings. The Legislature makes
15 the following findings of fact. The economic and
16 social well-being of the citizens of the State require
17 that the transportation system be developed in a
18 comprehensive manner and depend upon the safety,
19 efficiency and modern functional state of the
20 turnpike. The turnpike should be maintained as a
21 closed toll facility whether or not there are turnpike
22 bonds outstanding. Toll revenues should be utilized
23 to pay for retirement of any outstanding debt,
24 including interest thereon; to pay for operation and
25 maintenance of the turnpike; to pay for reconstruction
26 of the turnpike; and to repay the Federal Government
27 for grants or loans, the proceeds of which were used
28 for the construction or reconstruction of the turnpike
29 or portions of the turnpike, interchanges and certain
30 interconnecting access roads, but only to the extent
31 that the repayment is required as a result of
32 maintaining tolls on the turnpike.

33 2. Cooperation with the Department of
34 Transportation. The Department of Transportation
35 shall be provided each year a maximum amount of
36 \$8,700,000 of the total annual operating revenue after
37 money has been put aside to pay operating expenses and
38 to meet the requirements of any resolution authorizing
39 bonds of the Maine Turnpike Authority. Any funds
40 received by the department under this provision in

1 excess of \$4,700,000 shall be expended for highway and
2 bridge improvements within counties which contain
3 turnpike mileage. These amounts are deemed necessary
4 for use by the department for construction,
5 reconstruction, operation and maintenance of access
6 roads on the state highway system which serve and
7 benefit users of the turnpike by providing direct and
8 indirect access to and from the turnpike as part of
9 the integrated highway system. Due to the utilization
10 of the state highway system by users of the turnpike,
11 the turnpike and its users have received and will
12 continue to receive a benefit from, or have caused and
13 will continue to cause, or both, the State acting by
14 and through the Department of Transportation to incur
15 costs for the construction, operation and maintenance
16 of the state highway system, which provides direct and
17 indirect access to and from the turnpike to areas in
18 the State for which the State may properly be and
19 should be compensated from the tolls to be collected.
20 The Maine Turnpike Authority should be maintained to
21 carry out the purposes of this chapter in cooperation
22 with the Department of Transportation.

23 3. Bonds. It is the expectation of the
24 Legislature that, by July 1, 1982, all bonds
25 outstanding on June 1, 1981, and the interest on the
26 bonds will be paid or a sufficient amount for the
27 payment of all bonds and the interest to maturity on
28 the bonds will be set aside in trust for the benefit
29 of the bondholders and shall continue to be held for
30 that purpose. It is the expectation of the Legislature
31 that further bonds will have to be issued for the
32 purposes provided in this section. It is expected that
33 tolls on the turnpike will have to be increased to
34 implement this chapter.

35 4. Governmental function. It is declared that
36 the purposes of this chapter are public and that the
37 authority shall be regarded as performing a
38 governmental function in carrying out this chapter.

39 Sec. 7. 23 MRSA §1965, sub-§1, ¶0, as enacted
40 by PL 1981, c. 595, §3, is repealed and the following
41 enacted in its place:

42 0. Provide an annual amount not to exceed a

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1 maximum of \$8,700,000 subject to the limitations
2 in section 1961 as the department shall request
3 and the authority shall determine pursuant to
4 section 1974, subsection 4, to be necessary for
5 the use of the department each year for the
6 construction, operation and maintenance of access
7 roads and costs related thereto, after money has
8 been set aside or adequate provision has been
9 made, to pay operating expenses and to meet the
10 requirements of any resolution authorizing bonds
11 of the authority;

12 Sec. 8. 23 MRSA §1974, sub-§4, as amended by PL
13 1981, c. 698, §105, is further amended to read:

14 4. Revenues for access roads and the state
15 highway system. Subject to the terms and conditions
16 of this chapter, the authority, semi-annually on July
17 1st and January 1st of each fiscal year commencing
18 July 1, 1983, shall, upon making the determination
19 referred to in this subsection, authorize turnpike
20 revenues to be transferred to the Department of
21 Transportation for the costs of construction,
22 reconstruction, operation and maintenance of access
23 roads provided, first, that the department provide
24 certification as to the utilization of all or a part
25 of the state highway system by turnpike users with
26 respect to the benefit received by the turnpike and
27 its users and the costs incurred by the department for
28 the construction, reconstruction, operation and
29 maintenance of the access roads caused by the turnpike
30 and its users and supporting the transfer of turnpike
31 revenues for each 2-year period. The department shall
32 not request and the authority shall not approve a
33 transfer of turnpike revenues under this subsection in
34 any year that exceeds the cost to the department for
35 construction, reconstruction, operation and
36 maintenance of access roads fairly attributable to
37 vehicular traffic traveling to or from the turnpike.
38 Based on the certification and such other information
39 as the authority deems necessary, the authority shall
40 determine whether or not the turnpike and users
41 thereof are so benefited by the system, and thereupon
42 the authority shall have and exercise sole discretion
43 to determine the level of revenues to be so
44 transferred to the department, but that transfer

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1 annually shall not exceed ~~\$4,700,000~~ \$8,700,000.
2 In making its report, the department, as a basis for
3 requesting those revenues, and the authority in
4 determining the level of revenues to be transferred,
5 may consider the following factors, no one of which
6 may necessarily be determinative:

7 A. The existing access roads and the state
8 highway system;

9 B. The traffic impact of the maintenance,
10 construction or reconstruction on the existing
11 road network;

12 C. Total cost of the state highway system;

13 D. The probable change in departmental
14 expenditures resulting from maintenance,
15 construction or reconstruction;

16 E. The relative number of vehicles using or
17 expecting to use the access roads on the way to or
18 from the turnpike;

19 F. The road distance or average road distance of
20 the access roads or portions thereof from the
21 nearest entrance to or exit from the turnpike;

22 G. The effect that maintenance, construction or
23 reconstruction will have on the flow of traffic
24 to, from and on the turnpike, and in diverting
25 vehicular traffic off or away from the turnpike;

26 H. Proportionate usage of the state highway
27 system by vehicles using the turnpike and vehicles
28 not using the turnpike;

29 I. Vehicle classification and travel
30 characteristics;

31 J. Origins and destinations of trips;

32 K. Fuel type and consumption;

33 L. Financial condition of the turnpike authority;
34 the financial impact of ~~that~~ the maintenance,

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1 construction and reconstruction of access roads;
2 and the probable availability of turnpike revenues
3 to make these payments;

4 M. Existing sources of revenue; or

5 N. Such other factors deemed relevant including,
6 but not limited to, expert opinion.

7 The authority shall cooperate with the department in
8 any surveys or studies required to provide this
9 report, the costs of which shall be borne by the
10 department.

11 Pending the department's first report, which shall
12 be submitted by May 17 1983, for the period ending
13 June 30, 1983, it is determined that for the current
14 period the aggregate sum to be transferred to the
15 department from operating revenues of the authority
16 for benefits received and costs incurred by the
17 department caused by turnpike users due to their
18 utilization of the turnpike, is \$4,700,000. In the
19 event the authority subsequently determines that the
20 aggregate sum transferred to the department during the
21 period ending July 17 1982 to June 30, 1983, exceeds
22 by more than 10% the amount the authority would
23 otherwise pay to the department under the provisions
24 of this subsection, an amount equal to the amount of
25 that excess shall be repaid by the department to the
26 authority in such manner and at such times as may be
27 agreed upon by the authority and the department,
28 provided that, if within 6 months after the
29 determination, the authority and the department have
30 not so agreed and written notice thereof shall have
31 been given to the department, the excess amount shall
32 be repaid in 5 equal annual installments in each of
33 the 5-years-next-succeeding-

34 Sec. 9. 36 MRSA §2903, sub-§1, as enacted by
35 PL 1983, c. 852, §4, is amended to read:

36 1. Excise tax levied. Except as provided in
37 subsection 2, an excise tax is levied and imposed at
38 the rate of ~~14¢~~ 16¢ per gallon upon internal
39 combustion engine fuel sold or used within this State,
40 including these sales when made to the State or any

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1 political subdivision thereof, for any purpose
2 whatsoever, except the internal combustion engine fuel
3 sold or used in such form and under such circumstances
4 as shall preclude the collection of this tax by reason
5 of the laws of the United States, or sold wholly for
6 exportation from the State, or brought into the State
7 in the ordinary standardized equipment fuel tank
8 attached to and forming a part of a motor vehicle and
9 used in the operation of that vehicle within the
10 State, except that no tax may be levied upon internal
11 combustion engine fuel, as defined in section 2902,
12 bought or used by any person, association of persons,
13 firm or corporation for the purpose of propelling jet
14 or turbojet engine aircraft, or sold wholly for
15 exportation from the State, or brought into the State
16 in the fuel tanks of an aircraft, or on or after July
17 1, 1983, sold in bulk to any political subdivision of
18 the State. On the same fuel only one tax shall be
19 paid to the State, for which tax the distributor first
20 receiving the fuel in the State shall be primarily
21 liable to the State, except when that fuel has been
22 sold and delivered to a licensed exporter wholly for
23 exportation from the State, or to another distributor
24 in the State, in which case the purchasing distributor
25 shall be primarily liable to the State for the tax.

26 Internal combustion fuel, as defined in section
27 2902, which is held by retailers at the close of March
28 31, 1983, shall be subject to the 14¢ per gallon tax
29 rate. Retailers, as defined in section 1752,
30 subsection 10, shall be liable for the difference
31 between the 14¢ per gallon tax rate and the 9¢ per
32 gallon tax rate in effect prior to April 1, 1983.
33 Payment shall be made to the State Tax Assessor before
34 May 15, 1983, and it shall be accompanied by the
35 appropriate completed form described by the State Tax
36 Assessor.

37 Sec. 10. 36 MRSA §2903-A, as amended by PL
38 1985, c. 481, Pt. A, §81, is further amended to read:

39 §2903-A. Finding of fact

40 The Legislature makes a finding of fact that the
41 percentage relationship of "gasoline tax" paid by that
42 segment of the nonhighway gasoline user, the motorboat

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1 user, is not less than ~~1-25%~~ 2.00% of the total
2 "gasoline tax" revenue, but certainly is more
3 than the ~~1-25%~~ referred to. Based on this
4 legislative "finding of fact" there is set aside
5 ~~1-25%~~ 2.00% of the total excise tax, not to exceed
6 \$2,000,000, on internal combustion engine fuel sold or
7 used within the State, but not including internal
8 combustion engine fuel sold for use in the propulsion
9 of aircraft. From this ~~1-25%~~ 2.00% allocation
10 shall be deducted the refunds paid out under section
11 2908 to purchasers and users of internal combustion
12 engine fuel for commercial motorboats; 20% of the
13 balance of ~~1-25%~~ 2.00% after paying out such
14 refunds shall be paid to the Treasurer of State to be
15 made available to the Commissioner of Marine Resources
16 for the purpose of conducting research, development
17 and propagation activities by the department, and it
18 is the responsibility of the Commissioner of Marine
19 Resources to select activities and projects that will
20 be most beneficial to the commercial fisheries of the
21 State as well as the development of sports fisheries
22 activities in the State; the remaining 80% of the
23 balance of ~~1-25%~~ 2.00% after paying out such
24 refunds shall be credited to the Boating Facilities
25 Fund, established under Title 38, section 322, within
26 the Maine State Bureau of Parks and Recreation. The
27 State Tax Assessor shall certify to the State
28 Controller, on or before the 15th day of each month,
29 the amounts to be credited under the previous
30 sentence, as of the close of the State Controller's
31 records for the previous month. When refunds paid to
32 purchasers and users of internal combustion engine
33 fuel for commercial motorboats in any month exceed
34 ~~1-25%~~ 2.00% of gasoline tax revenues for that month,
35 such excess shall be carried forward in computing
36 amounts to be credited to the Department of Marine
37 Resources and to the Boating Facilities Fund under
38 this section for the succeeding month or months. Funds
39 credited to the Department of Marine Resources shall
40 be allocated by the joint standing committee of the
41 Legislature having jurisdiction over appropriations
42 and financial affairs.

43 Sec. 11. 36 MRSA §2916 is enacted to read:

44 §2916. Inventory tax; internal combustion fuel

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1 Internal combustion engine fuel which is held by
2 retailers, as defined in section 1752, at 12 midnight,
3 April 30, 1988, shall be subject to a 16¢ per gallon
4 excise tax. Retailers shall be liable for the
5 difference between the 16¢ per gallon tax rate
6 existing on May 1, 1988, and the 14¢ per gallon tax
7 rate in effect prior to May 1, 1988. Payment shall be
8 made to the State Tax Assessor before June 15, 1988,
9 accompanied by the appropriate completed form
10 prescribed by the State Tax Assessor.

11 Sec. 12. 36 MRSA §3203 as repealed and replaced
12 by PL 1987, c. 402, Pt. A, §185, is amended to read:

13 §3203. Tax levied

14 An excise tax is levied and imposed upon all
15 suppliers of special fuel sold and on all users of
16 special fuel used in this State on each gallon of
17 distillate at the rate prescribed in section 2903
18 of 14¢ per gallon and, beginning July 1, 1988, at the
19 rate prescribed in section 2903, plus 3¢ per gallon
20 and, on each gallon of low-energy fuel at the rate
21 prescribed in section 2903, less 1 cent, except sales
22 of special fuel made to the State or any political
23 subdivision of the State; the special fuel sold or
24 used in such form and under such circumstances as
25 shall preclude the collection of this tax by reasons
26 of the laws of the United States; sold only for
27 exportation from this State; delivered into a tank
28 used solely for heating or cooking purposes, sold for
29 resale to a licensed or registered supplier; and sold
30 to a person for the generation of power for resale or
31 manufacturing. When special fuel is delivered by a
32 supplier on a consignment basis to a consumer or to a
33 retail outlet, whether the retail outlet is wholly
34 owned by the supplier or not, it shall be considered
35 to have been "sold" within the meaning of the Special
36 Fuel Tax Act. All taxes collected under this section
37 shall be credited to the Highway Fund. When kerosene
38 is delivered into a separate tank for retail sale, the
39 excise tax is not to be collected by the supplier,
40 rather licensed users shall remit the tax in
41 accordance with section 3207.

42 Sec. 13. 36 MRSA §3223 is enacted to read:

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1 §3223. Inventory tax; special fuel

2 Special fuel subject to tax under this chapter,
3 which is held by retailers, as defined in section
4 1752, at 12 midnight, June 30, 1988, shall be subject
5 to a 19¢ per gallon excise tax. Retailers shall be
6 liable for the difference between the 19¢ per gallon
7 tax rate existing on July 1, 1988, and the 14¢ per
8 gallon tax rate in effect prior to July 1, 1988.
9 Payment shall be made to the State Tax Assessor before
10 August 15, 1988, accompanied by the appropriate
11 completed form prescribed by the State Tax Assessor.

12 Sec. 14. Study of the Local Road Assistance
13 Program. The Joint Standing Committee on
14 Transportation, with the assistance of the Department
15 of Transportation, the Maine Municipal Association and
16 other interested parties shall study the distribution
17 of funds among municipalities and counties under the
18 Local Road Assistance Program and report its findings
19 and recommendations, including any proposed
20 legislation to the Legislature on or before December
21 6, 1988. The committee shall establish a 5-member
22 subcommittee to conduct the study and shall hold a
23 public hearing in the course of the study. Members of
24 the Joint Standing Committee on Transportation shall
25 receive the legislative per diem, as defined in the
26 Maine Revised Statutes, Title 3, section 2, for each
27 day of attendance at meetings of the study, and shall
28 receive reimbursement for expenses upon application to
29 the Executive Director of the Legislative Council.
30 Staff assistance shall be requested from the
31 Legislative Council.

32 Sec. 15. Additional study of gross vehicle
33 weight. In the event of any statutory change
34 creating new authority for any vehicle or combination
35 vehicle to be operated or authorized to be operated in
36 this State with a maximum gross weight of 100,000
37 pounds, the Department of Transportation shall include
38 within the cost allocation study presently underway, a
39 determination of the cost to the State resulting from
40 the additional road and bridge consumption caused by
41 this additional weight allowance. This study and
42 analysis shall be completed prior to the issuance

1 under that new authority of any permit allowing
2 operation with a maximum gross weight of 100,000
3 pounds. Permits issued under the existing authority
4 of the Maine Revised Statutes, Title 29, section 1655,
5 shall be subject to this section on or after November
6 1, 1989.

7 Sec. 16. Study of overweight enforcement, and
8 the highway maintenance and safety implications of
9 heavy trucks. The Joint Standing Committee on
10 Transportation, with the assistance of the Department
11 of Transportation, the Department of Public Safety and
12 other interested parties shall study the impacts and
13 implications of overweight trucks on highway safety,
14 highway and bridge consumption and trucking
15 competition and the enforcement of truck weight limits
16 and report its findings and recommendations, including
17 any proposed legislation to the Legislature, on or
18 before December 6, 1988. The committee shall
19 establish a 5-member subcommittee to conduct the study
20 and shall hold a public hearing in the course of the
21 study. Members of the Joint Standing Committee on
22 Transportation shall receive the legislative per diem,
23 as defined in the Maine Revised Statutes, Title 3,
24 section 2, for each day of attendance at meetings of
25 the study and shall receive reimbursement for expenses
26 upon application to the Executive Director of the
27 Legislative Council. Staff assistance shall be
28 requested from the Legislative Council.

29 PART B

30 Sec. 1. 36 MRSa §2903, sub-§1-A is enacted to
31 read:

32 1-A. Excise tax levied. Except as provided in
33 subsection 2, an excise tax is levied and imposed at
34 the rate of 17¢ per gallon upon internal combustion
35 engine fuel sold or used within this State on or after
36 April 1, 1989, including these sales when made to the
37 State or any political subdivision thereof, for any
38 purpose whatsoever, except the internal combustion
39 engine fuel sold or used in such form and under such
40 circumstances as shall preclude the collection of this
41 tax by reason of the laws of the United States, or
42 sold wholly for exportation from the State, or brought

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1 into the State in the ordinary standardized equipment
2 fuel tank attached to and forming a part of a motor
3 vehicle and used in the operation of that vehicle
4 within the State, except that no tax may be levied
5 upon internal combustion engine fuel, as defined in
6 section 2902, bought or used by any person,
7 association of persons, firm or corporation for the
8 purpose of propelling jet or turbojet engine aircraft,
9 or sold wholly for exportation from the State, or
10 brought into the State in the fuel tanks of an
11 aircraft, or on or after July 1, 1983, sold in bulk to
12 any political subdivision of the State. On the same
13 fuel only one tax shall be paid to the State, for
14 which tax the distributor first receiving the fuel in
15 the State shall be primarily liable to the State,
16 except when that fuel has been sold and delivered to a
17 licensed exporter wholly for exportation from the
18 State, or to another distributor in the State, in
19 which case the purchasing distributor shall be
20 primarily liable to the State for the tax.

21 This subsection shall take effect on April 1, 1989,
22 and subsection 1 is be repealed on April 1, 1989, if
23 the Commissioner of Transportation certifies to the
24 Governor that the Federal Government has not
25 appropriated to the State all federal highway funds
26 anticipated in fiscal year 1989 based on the United
27 States Highway Authorization Act and in addition has
28 restored the \$10,000,000 which was withheld in federal
29 fiscal year 1988. This subsection is repealed April
30 1, 1989, if it does not take effect.

31 Sec. 2. 36 MRSa §2916-A is enacted to read:

32 §2916-A. Inventory tax; internal combustion fuel

33 Internal combustion engine fuel which is held by
34 retailers, as defined in section 1752, at 12 midnight,
35 March 30, 1989, shall be subject to a 17¢ per gallon
36 excise tax. Retailers shall be liable for the
37 difference between the 17¢ per gallon tax rate
38 existing on April 1, 1989, and the 16¢ per gallon tax
39 rate in effect prior to April 1, 1989. Payment shall
40 be made to the State Tax Assessor before May 15, 1989,
41 accompanied by the appropriate completed form
42 prescribed by the State Tax Assessor. Section 2916 is

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1 repealed on April 1, 1989.

2 This section shall take effect on April 1, 1989,
3 and section 2916 is repealed on April 1, 1989, if the
4 Commissioner of Transportation certifies to the
5 Governor that the Federal Government has not
6 appropriated to the State all federal highway funds
7 anticipated in fiscal year 1989 based on the United
8 States Highway Authorization Act and in addition has
9 restored the \$10,000,000 which was withheld in federal
10 fiscal year 1988. This section is repealed April 1,
11 1989 if it does not take effect.

12 **Sec. 3. 36 MRS §3223-A is enacted to read:**

13 §3223-A. Inventory tax; special fuel

14 Special fuel subject to tax under this chapter,
15 which is held by retailers, as defined in section
16 1752, at 12 midnight, March 30, 1989, shall be subject
17 to a 20¢ per gallon excise tax. Retailers shall be
18 liable for the difference between the 20¢ per gallon
19 tax rate existing on April 1, 1989, and the 19¢ per
20 gallon tax rate in effect prior to April 1, 1989.
21 Payment shall be made to the State Tax Assessor before
22 May 15, 1988, accompanied by the appropriate completed
23 form prescribed by the State Tax Assessor. Section
24 3223 is repealed on April 1, 1989.

25 This section shall take effect on April 1, 1989,
26 and section 3223 is repealed on April 1, 1989 if the
27 Commissioner of Transportation certifies to the
28 Governor that the Federal Government has not
29 appropriated to the State all federal highway funds
30 anticipated in fiscal year 1989 based on the United
31 States Highway Authorization Act and in addition has
32 restored the \$10,000,000 which was withheld in federal
33 fiscal year 1988. This section is repealed April 1,
34 1989 if it does not take effect.

35 **Sec. 4. Funding for Bureau of State Police.**
36 **The Legislature determines that, beginning July 1,**
37 **1989, funding for the Department of Public Safety,**
38 **Bureau of State Police, shall be provided as follows:**
39 **Fifty percent shall be appropriated from the General**
40 **Fund and 50% shall be allocated from the Highway Fund.**

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1	Capital Expenditures	10,950,000
2		
3	Total	<u>\$12,000,000</u>

4 Provides \$7,000,000 in
 5 All Other and Capital
 6 Expenditures to be
 7 used for the
 8 construction or
 9 reconstruction of
 10 extraordinary bridges
 11 in accordance with the
 12 Maine Revised
 13 Statutes, Title 23,
 14 section 610-J, and
 15 \$5,000,000 for Capital
 16 Expenditures for
 17 highway improvements.
 18 These funds shall not
 19 lapse, but shall be
 20 carried forward for
 21 the purposes
 22 identified.

23	TOTAL APPROPRIATIONS	
24		<u>\$ 0</u>

25 Sec. 2. Allocation. The following funds are
 26 allocated from the Highway Fund to carry out the
 27 purposes of this Act.

28		<u>1988-89</u>
29	<u>TRANSPORTATION, DEPARTMENT OF</u>	
30	Local Road Assistance Program	
31	All Other	\$ 3,500,000
32		
33	Total	<u>\$3,500,000</u>

34 Provides funds to
 35 local communities
 36 through the Local Road
 37 Assistance Program as
 38 a one-time stipend

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1	payment during January	
2	1989.	
3	Highway and Bridge Improvement	
4	Positions	(4)
5	Personal Services	\$ 85,750
6	All Other	3,407,881
7	Capital Expenditures	16,397,244
8		
9	Total	<u>\$19,890,875</u>
10	Allocates funds for a	
11	supplemental highway	
12	construction program.	
13	In addition, this	
14	allocation includes 4	
15	assistant engineer	
16	positions.	
17	Highway and Bridge Improvement	
18	All Other	\$ 600,000
19	Capital Expenditures	3,400,000
20		
21	Total	<u>\$ 4,000,000</u>
22	Allocates anticipated	
23	funds from the Maine	
24	Turnpike Authority for	
25	highway and bridge	
26	improvements within	
27	counties that contain	
28	turnpike mileage.	
29	DEPARTMENT OF TRANSPORTATION	
30	TOTAL	<u>\$27,390,875</u>
31	<u>LEGISLATURE</u>	
32	Study Commission - Funding	
33	Personal Services	\$ 1,815
34	All Other	9,000
35	Provides funds for	

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1 per diem, travel and
2 related expenses of
3 the members of the
4 Joint Standing
5 Committee on
6 Transportation
7 involved in the study
8 of the Local Road
9 Assistance Program.
10 Funds are also
11 provided to contract
12 for staff assistance.

13 Study Commission - Funding

14	Personal Services	\$	1,815
15	All Other		9,000

16 Provides funds for per
17 diem, travel and
18 related expenses of
19 the members of the
20 Joint Standing
21 Committee on
22 Transportation
23 involved in the study
24 of the impact of truck
25 weight on the
26 highways. Funds are
27 also provided to
28 contract for staff
29 assistance.

30 LEGISLATURE

31	TOTAL	\$	<u>21,630</u>
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32 SECRETARY OF STATE, DEPARTMENT OF

33 Division of Motor Vehicles

34 An amount not to
35 exceed \$1,000,000 from
36 any available surplus
37 funds in the Division
38 of Motor Vehicles as

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1 of June 30, 1988 shall
2 not lapse, but shall
3 be carried forward and
4 is hereby allocated to
5 be used for
6 preliminary Division
7 of Motor Vehicles'
8 building construction
9 - related items such
10 as land acquisition,
11 architectural design
12 and permit application
13 and processing
14 expenditures in fiscal
15 year 1988-89.

16 Administration - Motor Vehicles

17 Capital Expenditures (\$750,000)
18 Unallocated 750,000

19 Transfers funds
20 allocated for the
21 purchase of a computer
22 hardware system into
23 unallocated reserve.
24 These funds shall only
25 be allotted in an
26 amount sufficient to
27 make up the difference
28 between the surplus
29 carried forward from
30 fiscal year 1988 for
31 preliminary Division
32 of Motor Vehicles'
33 building
34 construction-related
35 items and the
36 \$1,000,000 required
37 for these purposes.

38 DEPARTMENT OF SECRETARY
39 OF STATE
40 TOTAL

S 0

41 Emergency clause. In view of the emergency
42 cited in the preamble, this Act shall take effect May
43 1, 1988.

1

FISCAL NOTE

2 This amendment provides funds and makes additional
3 allocations for a supplemental highway program.
4 Section 1, Part C deappropriates \$13,200,000 from the
5 Rainy Day Fund and appropriates it to the Department
6 of Transportation for extraordinary bridges, capital
7 expenditures for highway improvements and salt and
8 sand storage buildings for municipalities and
9 counties. The bill also raises additional revenue in
10 the amount of \$19,900,000 by an increase in gas tax
11 and establishment of a diesel differential tax. It
12 also allocates funds to be raised in other legislation
13 from a continuation of a \$2 registration fee for
14 license plates. These funds, in conjunction with the
15 allocation of \$3,500,000 in unallocated surplus, are
16 used to fund a local road assistance program, a
17 one-time stipend for localities and various
18 supplemental highway construction programs. An
19 additional \$4,000,000 is allocated from funds
20 transferred from the Turnpike Authority, if available,
21 for specific geographic highway and bridge
22 improvements and \$21,630 is allocated for legislative
23 studies, including contractual services by a research
24 assistant for 6 months. Finally, if available,
25 surplus funds are allocated to the Division of Motor
26 Vehicles to be used for preliminary construction of a
27 Division of Motor Vehicles building. To the extent
28 that \$1,000,000 is not available in fiscal year
29 1987-88 surplus, \$750,000 is deallocated in fiscal
30 year 1988-89 and made available for preliminary
31 construction activity. There is a potential future
32 revenue gain associated with the 1c increase in both
33 gas taxes on April 1, 1989 and a future cost to the
34 General Fund associated with the funding split for the
35 Maine State Police. The statement of legislative
36 intent also identifies an amount of potential future
37 cost: \$6,000,000 appropriation from the Rainy Day
38 Fund in fiscal year 1990.

39

STATEMENT OF LEGISLATIVE INTENT

40 It is the intent of the Legislature that up to
41 \$6,000,000 be allocated from the Rainy Day Fund in
42 fiscal year 1989-90 for construction of a new building

1 for the Division of Motor Vehicles.

2 STATEMENT OF FACT

3 The conference committee amendment provides
4 funding for the highway program proposed in the
5 original bill, as modified by the transportation
6 committee amendment, thus providing funds to
7 compensate for the withholding of federal highway
8 dollars and to fund the supplemental highway program
9 proposed by the Department of Transportation. Funds
10 for this purpose are derived from the Rainy Day Fund,
11 available surplus in the Highway Fund, a contribution
12 from the Maine Turnpike Authority, and a smaller
13 increase in the gas tax than in the original bill.

14 Specifically, the amendment would immediately
15 increase the gasoline tax by 2¢ per gallon, and
16 establish a differential fuel tax on diesel motor fuel
17 by increasing the tax on diesel fuel by 5¢ per gallon
18 on July 1, 1988. That differential would remain
19 unless the Governor recommends legislation to modify
20 it, as a result of the ongoing cost allocation study.

21 The amended bill would take advantage of the
22 continuation of last year's \$2 increase in the motor
23 vehicle registration fee connected with the lobster
24 plate as an increase in the annual registration fee,
25 as embodied in LD 2630, by applying those funds to the
26 highway program.

27 The amendment would use \$12,000,000 from the Rainy
28 Day Fund to pay for highway and extraordinary bridge
29 improvements, but all or part of that could be repaid
30 if federal highway funds are restored in fiscal year
31 1989. The amendment also uses \$1,200,000 from the
32 Rainy Day Fund to assist municipalities and counties
33 in the development of salt and sand storage sheds.

34 The amendment takes money from the existing
35 surplus in the Highway Fund to provide a 22% bonus to
36 municipalities under the Local Road Assistance Program
37 in fiscal year 1989. There would be no change in the
38 formula at this time, but that would be the subject of
39 a study by a Subcommittee of the Joint Standing

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1 Committee on Transportation.

2 Under the amendment, as in the original bill,
3 there would be an additional contribution of
4 \$4,000,000 to the Highway Fund, if available, from
5 the Maine Turnpike Authority, and this is designated
6 for highways and bridges in adjacent counties.

7 The amendment includes a legislative study on
8 truck weight and enforcement. It also includes a
9 departmental study of the effect of raising the truck
10 weight limit to 100,000 pounds.

11 If the Commissioner of Transportation certifies
12 that the federal Highway Fund dollars are not
13 released, another would increase the fuel tax by
14 another 1¢ on April 1, 1989. If Federal Highway Fund
15 money is released then the Department of
16 Transportation would use \$7,600,000 to avoid this
17 increase in the fuel tax and use any excess money to
18 pay back up to \$12,000,000 of the Rainy Day Fund. The
19 amendment also expresses legislative intent to
20 increase the General Fund appropriation for the Maine
21 State Police from 25% to 50%, which would save
22 \$5,500,000 for the Highway Fund. The amendment also
23 makes available \$1,000,000 for Division of Motor
24 Vehicles building preliminary construction-related
25 items. Legislative intent is to use \$6,000,000 from
26 the Rainy Day Fund in fiscal year 1990 to provide for
27 that building.

28 Finally, the amendment retains the emergency
29 clause, with an effective date of May 1, 1988.
30 However, the diesel differential is not effective
31 until July 1, 1988, in order to allow time for
32 implementation.

33

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