

MAINE STATE LEGISLATURE

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TRANSPORTATION

Reported by: *Senator Cassidy*

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STATE OF MAINE
SENATE
118TH LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to S.P. 418, L.D. 1339, Bill, "An Act Relating to Municipal Excise Tax Reimbursement"

Amend the bill by striking out all of section 1 and inserting in its place the following:

Sec. 1. 29-A MRSA §533, as enacted by PL 1995, c. 440, §2 and affected by §5, is repealed.

Sec. 2. 29-A MRSA §533-A is enacted to read:

§533-A. Municipal Excise Tax Reimbursement Fund

1. Fund established. The Municipal Excise Tax Reimbursement Fund, referred to in this section as the "fund," is established as a dedicated, nonlapsing fund.

2. Deposits. The Secretary of State shall deposit into the fund all revenue derived pursuant to section 531, subsection 6.

3. Use of the fund. The fund must be used as follows.

A. Between July 1st and September 30th, the Secretary of State shall disburse to a participating municipality a sum equal to the difference in the amount of excise tax that would have been collected by that municipality in the prior fiscal year on each commercial motor vehicle under Title 36, section 1482, subsection 1, paragraph C, subparagraph (3) using the manufacturer's suggested retail price from the amount of that excise tax actually collected by that municipality in the prior fiscal year based on the actual

2 purchase price. The Secretary of State shall provide
3 supporting documentation to a municipality regarding the
4 disbursement that municipality receives under this section.

6 B. By November 1st of the fiscal year in which
7 disbursements are made under paragraph A, the Secretary of
8 State shall transfer from the fund to the Highway Fund a sum
9 equal to the difference in the total revenues derived
10 pursuant to section 531, subsection 6 in the prior fiscal
11 year from the total disbursements made under paragraph A in
12 the current fiscal year.

14 4. Municipal participation optional. Municipal
15 participation in the reimbursement program under this section is
16 optional. A participating municipality must collect and provide
17 to the Secretary of State any information the Secretary of State
18 requires to calculate reimbursement.

20 **Sec. 3. Transfer of funds.** All revenues derived from the Maine
21 Revised Statutes, Title 29-A, section 531, subsection 6 between
22 July 1, 1996 and the effective date of this Act must be
23 transferred by June 30, 1997 from the Highway Fund to the
24 Municipal Excise Tax Reimbursement Fund created under Title 29-A,
section 533-A.

26 **Sec. 4. Allocation.** The following funds are allocated from
27 Other Special Revenue to carry out the purposes of this Act.

28
29 1997-98 1998-99

30
31 **SECRETARY OF STATE,**
32 **DEPARTMENT OF THE**

33
34 **Municipal Excise Tax Reimbursement Fund**

35 All Other \$300,000 \$306,000

36
37 Allocates funds to reimburse
38 municipalities for the
39 difference between the excise
40 tax based on the
41 manufacturer's suggested
42 retail price versus the
43 actual purchase price for
44 heavy trucks.
45

46
47 Further amend the bill by inserting at the end before the
48 summary the following:

FISCAL NOTE

	1996-97	1997-98	1998-99
APPROPRIATIONS/ALLOCATIONS			

Other Funds		\$300,000	\$306,000
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REVENUES

Highway Fund		\$380,000	\$387,600
Other Funds	\$680,000	313,600	319,872

This bill establishes a Municipal Excise Tax Reimbursement Fund to make disbursements to municipalities for the difference between the excise tax based on the manufacturer's suggested retail price and the actual purchase price for commercial vehicles. Revenue from excise taxes on commercial vehicles operated by nonresident owners will accrue as dedicated revenue to this fund for disbursements to municipalities. The estimated increases of dedicated revenue are \$693,600 in fiscal year 1997-98 and \$707,472 in fiscal year 1998-99.

This excise tax revenue has been accruing to the Highway Fund since July 1, 1996 but is not included in estimates of budgeted Highway Fund revenue. This bill requires the transfer of revenue prior to the end of fiscal year 1996-97. This transfer will increase dedicated revenue to the Municipal Excise Tax Reimbursement Fund by \$680,000 in fiscal year 1996-97 and will represent a loss of actual but unbudgeted Highway Fund revenue in fiscal year 1996-97.

This bill includes allocations of \$300,000 in fiscal year 1997-98 and \$306,000 in fiscal year 1998-99 to authorize the disbursements to municipalities. After the annual disbursements, an amount equal to the difference between the disbursements and the revenue collected from this tax in the prior year will be transferred to the Highway Fund. These annual transfers will increase the balance in the Highway Fund by \$380,000 in fiscal year 1997-98 and \$387,600 in fiscal year 1998-99 and decrease the balances in the fund by equal amounts.'

SUMMARY

This amendment corrects an oversight in Public Law 1995, chapter 440 by establishing an escrow fund to reimburse

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2 municipalities for the difference between excise tax based on the manufacturer's suggested retail price and the actual purchase price for heavy trucks.

COMMITTEE AMENDMENT