

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

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Legislative Document

No. 957

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H.P. 690

House of Representatives, February 3, 1999

**An Act to Make Supplemental Allocations from the Highway Fund for  
the Fiscal Years Ending June 30, 2000 and June 30, 2001.**

(EMERGENCY)

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Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative JABAR of Waterville. (GOVERNOR'S BILL)  
Cosponsored by Senator O'GARA of Cumberland and  
Representatives: FISHER of Brewer, LINDAHL of Northport, MURPHY of Berwick,  
SAVAGE of Union, TESSIER of Fairfield, Senators: CASSIDY of Washington, MILLS of  
Somerset, RUHLIN of Penobscot.



2	TOTAL	(122,297)	(62,676)
4	Provides for the deallocation		
6	of funds to permit the		
8	transfer of the motor vehicle		
10	sticker sales operation from		
12	the Administration program to		
14	the Motor Vehicle Inspection		
16	program to align departmental		
18	structure with the		
20	authorizing statutes.		
22	<b>Motor Vehicle Inspection</b>		
24	Positions - Legislative Count	(1,000)	(1,000)
26	Personal Services	29,222	30,532
28	All Other	93,075	32,144
30	TOTAL	<u>122,297</u>	<u>62,676</u>
32	Provides for the allocation		
34	of funds to permit the		
36	transfer of the motor vehicle		
38	sticker sales operation from		
40	the Administration program to		
42	the Motor Vehicle Inspection		
44	program to align departmental		
46	structure with authorizing		
48	statutes.		
50	<b>State Police</b>		
52	Capital Expenditures	8,246	0
54	Provides for the allocation		
56	of funds for the purchase of		
58	3 all-terrain vehicles		
60	necessary for mountain top		
62	radio repair, maintenance and		
64	related functions.		
66	<b>State Police</b>		
68	All Other	90,000	12,000
70	Provides for the allocation		
72	of funds for the purchase of		
74	fleet management system		
76	software and maintenance.		

2	<b>State Police</b>		
4	Personal Services	57,280	58,110
	All Other	86,720	85,890
6			
	TOTAL	<u>144,000</u>	<u>144,000</u>
8			
10	Provides for the allocation		
	of funds for the Highway Fund		
12	share through the transfer of		
	one Forensic Chemist I		
14	position and one Clerk Typist		
	III position and related		
16	costs from the State Police		
	Public Safety Federal Grants		
18	account to continue the DNA		
	functions of the Maine State		
20	Police crime lab due to a		
	reduction in federal grant		
22	funds.		
24	<b>DEPARTMENT OF PUBLIC SAFETY</b>		
	TOTAL	<u>242,246</u>	<u>156,000</u>
26	<b>SECRETARY OF STATE, DEPARTMENT</b>		
	<b>OF THE</b>		
28			
	<b>Administration - Motor Vehicles</b>		
30			
	All Other	3,172,014	3,269,986
32	Capital Expenditures	300,000	0
34	TOTAL	<u>3,472,014</u>	<u>3,269,986</u>
36			
	Provides for the allocation		
38	of funds for the migration of		
	the Bureau of Motor Vehicles		
40	database from the BULL		
	Mainframe to a PC/Client		
42	Server environment utilizing		
	a higher level language,		
44	including funds for software		
	licensing and implementation,		
46	retraining of Information		
	Services staff, hardware to		
48	support the application,		
	database conversion and		
50	functionality enhancements.		
	These funds do not lapse but		

2 must be carried forward for  
the original purpose.

4 **Registration Plate Equipment  
and Production Program**

6	Personal Services	150,798	0
8	All Other	(150,798)	0
10	<b>TOTAL</b>	<u>0</u>	<u>0</u>

12 Provides for the allocation  
14 of funds to continue through  
December 30, 1999 2 Clerk  
16 Typist II positions  
established by financial  
18 order 02174 F9; through June  
30, 2000 one Stores Clerk  
20 position established by  
financial order 02478 F9;  
22 through December 30, 1999 2  
Clerk Typist II positions  
24 established by financial  
order 02642 F9; and through  
26 June 2, 2000 2 Laborer II  
positions established by  
financial order 02642 F9.  
28 These positions are necessary  
for the production and  
30 distribution of license  
plates associated with the  
32 new plate issue, which was  
originally budgeted in the  
34 All Other line.

36 **DEPARTMENT OF THE SECRETARY  
OF STATE**

38	<b>TOTAL</b>	<u>3,472,014</u>	<u>3,269,986</u>
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40 **TRANSPORTATION, DEPARTMENT OF**

42 **Administration and Planning**

44	All Other	1,005,000	1,005,000
----	-----------	-----------	-----------

46 Provides for the allocation  
of funds for the development  
48 of the maintenance  
accountability program.

50

2	<b>Highway and Bridge Improvement</b>		
	Personal Services	(605,500)	(588,083)
4	Capital Expenditures	605,500	588,083
6	TOTAL	<u>0</u>	<u>0</u>
8	Provides for the allocation		
	of funds to the Capital		
10	Expenditure line category		
	through a transfer from		
12	Personal Services to properly		
	align resources for the		
14	Highway and Bridge		
	Improvement program.		
16	<b>Highway and Bridge Improvement</b>		
18	Capital Expenditures	2,070,269	2,070,269
20	Provides for the allocation		
	of funds to meet current		
22	services needs.		
24	<b>Highway Maintenance</b>		
26	Capital Expenditures	360,000	360,000
28	Provides for the allocation		
	of funds for preventative		
30	pavement maintenance for		
	crack-sealing center lines.		
32	<b>Highway Maintenance</b>		
34	All Other	100,000	100,000
36	Provides for the allocation		
	of funds to provide for the		
38	additional services and		
	supplies necessary to improve		
40	the conditions of state rest		
	areas.		
42	<b>Highway Maintenance</b>		
44	Capital Expenditures	1,045,000	1,455,000
46	Provides for the allocation		
	of funds for the replacement		
48			
50			

2 of state-owned sand and salt  
storage buildings.

4 **Local Bridges**

6	Personal Services	605,500	588,083
	Capital Expenditures	(605,500)	(588,083)
8			
	TOTAL	<u>0</u>	<u>0</u>

10 Provides for the allocation  
12 of funds to Personal Services  
through a transfer from the  
14 Capital Expenditures line  
category to properly align  
16 resources for the Town Bridge  
Improvement Program.

18 **Urban-Rural Initiative Program**

20	All Other	22,150,000	23,000,000
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22 Provides for the allocation  
24 of funds to restore current  
services funding to the Local  
26 Road Assistance program and  
to augment through the new  
28 Urban-Rural Initiative  
program.

30	<b>DEPARTMENT OF TRANSPORTATION</b>		
32	<b>TOTAL</b>	<u>26,730,269</u>	<u>27,990,269</u>
34	<b>SECTION</b>		
36	<b>TOTAL ALLOCATIONS</b>	<u>\$31,021,817</u>	<u>\$35,052,498</u>

38 **PART B**

40 **Sec. B-1. Allocation.** The following funds are allocated from  
42 the Highway Fund for the fiscal years ending June 30, 2000 and  
June 30, 2001 to the departments listed in order to provide  
44 funding for approved reclassifications and range changes.

46		<b>1999-00</b>	<b>2000-01</b>
48	<b>PUBLIC SAFETY, DEPARTMENT OF</b>		
	<b>Administration - Public Safety</b>		



2	Personal Services	\$2,446	\$2,446
4	<b>State Police</b>		
6	Personal Services	700	700
8	<b>Traffic Safety</b>		
10	Personal Services	4,893	4,893
12	<b>DEPARTMENT OF PUBLIC SAFETY</b>		
14	<b>TOTAL</b>	<u>8,039</u>	<u>8,039</u>
16	<b>SECRETARY OF STATE, DEPARTMENT</b>		
18	<b>OF THE</b>		
20	<b>Administration - Motor Vehicles</b>		
22	Personal Services	5,572	5,572
24	<b>DEPARTMENT OF THE SECRETARY</b>		
26	<b>OF STATE</b>		
28	<b>TOTAL</b>	<u>5,572</u>	<u>5,572</u>
30	<b>TRANSPORTATION, DEPARTMENT OF</b>		
32	<b>Administration and Planning</b>		
34	Personal Services	16,572	19,587
36	<b>Bridge Maintenance</b>		
38	Personal Services	6,077	6,130
40	<b>Highway and Bridge Improvement</b>		
42	Personal Services	33,237	37,342
44	<b>Highway Maintenance</b>		
46	Personal Services	9,866	9,894
48	<b>Traffic Service</b>		
50	Personal Services	6,268	6,330
	<b>DEPARTMENT OF TRANSPORTATION</b>		
	<b>TOTAL</b>	<u>72,020</u>	<u>79,283</u>

2	<b>SECTION</b>		
	<b>TOTAL ALLOCATIONS</b>	\$85,631	\$92,894
4			
	<b>PART C</b>		
6			
8	<b>Sec. C-1. Allocation.</b> The following funds are allocated from		
10	the Highway Fund for the fiscal years ending June 30, 2000 and		
	June 30, 2001 to the departments listed in order to provide		
	funding for approved reclassifications and range changes.		
12		<b>1999-00</b>	<b>2000-01</b>
14	<b>PUBLIC SAFETY, DEPARTMENT OF</b>		
16	<b>Administration - Public Safety</b>		
18	All Other	(\$2,446)	(\$2,446)
20	Provides funds for an		
22	approved reclassification.		
24	<b>State Police</b>		
26	All Other	(700)	(700)
28	Provides funds for approved		
30	reclassifications.		
32	<b>Traffic Safety</b>		
34	All Other	(4,893)	(4,893)
36	Provides funds for approved		
38	reclassifications.		
40	<b>DEPARTMENT OF PUBLIC SAFETY</b>		
	<b>TOTAL</b>	(8,039)	(8,039)
42			
44	<b>SECRETARY OF STATE, DEPARTMENT</b>		
	<b>OF THE</b>		
46	<b>Administration - Motor Vehicles</b>		
48	All Other	(5,572)	(5,572)

2	Provides funds for an approved reclassification.		
4	<b>DEPARTMENT OF THE SECRETARY OF STATE</b>		
6	<b>TOTAL</b>	<u>(5,572)</u>	<u>(5,572)</u>
8	<b>TRANSPORTATION, DEPARTMENT OF</b>		
10	<b>Administration and Planning</b>		
12	All Other	(16,572)	(19,587)
14	Provides funds for approved reclassifications.		
16	<b>Bridge Maintenance</b>		
18	All Other	(6,077)	(6,130)
20	Provides funds for an approved reclassification.		
22	<b>Highway and Bridge Improvement</b>		
24	All Other	(33,237)	(37,342)
26	Provides funds for approved reclassifications.		
28	<b>Highway Maintenance</b>		
30	All Other	(9,866)	(9,894)
32	Provides funds for an approved reclassification.		
34	<b>Traffic Service</b>		
36	All Other	(6,268)	(6,330)
38	Provides funds for an approved reclassification.		
40	<b>DEPARTMENT OF TRANSPORTATION</b>		
42	<b>TOTAL</b>	<u>(72,020)</u>	<u>(79,283)</u>
44	<b>SECTION</b>		
46	<b>TOTAL ALLOCATIONS</b>	<u>(\$85,631)</u>	<u>(\$92,894)</u>

2

PART D

4

Sec. D-1. 36 MRSA §2903, sub-§1, as repealed and replaced by PL 1997, c. 738, §2, is amended to read:

6

8 1. **Excise tax imposed.** An excise tax is imposed on internal combustion engine fuel used or sold within this State, including sales to the State or a political subdivision of the State, at the rate of 19¢ ~~24¢~~ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel, as defined in section 2902, bought or used for the purpose of propelling jet or turbojet engine aircraft.

10

12

14

16

Sec. D-2. 36 MRSA §2903, sub-§1-B is enacted to read:

18

1-B. Inventory tax. All internal combustion fuel on which the 19¢ per gallon tax rate in effect prior to June 1, 1999 has been imposed, and which is held in inventory by a supplier or retail dealer as of the close of August 31, 1999, is subject to an inventory tax of 5¢ per gallon. Distributors and retail dealers holding such tax-paid inventory shall make payment of the inventory tax to the State Tax Assessor by October 15, 1999 accompanied by a form prescribed by the assessor.

20

22

24

26

Sec. D-3. 36 MRSA §3202, sub-§1, as enacted by PL 1997, c. 738, §10, is amended to read:

28

30

1. **Generally.** Except as provided in section 3204-A, an excise tax is levied and imposed on all suppliers of special fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of 20¢ ~~25¢~~ per gallon and for each gallon of low-energy fuel at the rate of 18¢ ~~23¢~~ per gallon.

32

34

36

Sec. D-4. 36 MRSA §3203-B is enacted to read:

38

§3203-B. Inventory tax

40

All special fuel on which the 20¢ per gallon tax rate in effect prior to June 1, 1999 has been imposed, and which is held in inventory by a supplier or retail dealer as of the close of August 31, 1999, is subject to an inventory tax of 5¢ per gallon. Suppliers and retail dealers holding such tax-paid inventory shall make payment of the inventory tax to the State Tax Assessor by October 15, 1999 accompanied by a form prescribed by the assessor.

42

44

46

48

Sec. D-5. **Application.** That section of this Part that amends the Maine Revised Statutes, Title 36, section 2903,

50

2 subsection 1, and that section of this Part that amends Title 36,  
3 section 3203-B, apply to transactions involving internal  
4 combustion fuel used or sold on or after September 1, 1999.

## 6 PART E

8 **Sec. E-1. 23 MRSA §705**, as repealed and replaced by PL 1989,  
9 c. 46, §1, is amended to read:

### 10 **§705. Culverts**

12 The Department of Transportation shall ~~be~~ is responsible for  
13 administering the placement of culverts within the right-of-way  
14 on improved state and state aid highways lying outside the  
15 compact ~~section, or within the compact section of a municipality~~  
16 ~~having a population of less than 6,000~~ area of an urban compact  
17 municipality, as defined in section 754. ~~Whenever~~ When an  
18 abutter wants an entrance to be constructed on these highways,  
19 the abutter shall petition the department for a permit as  
20 provided under section 704. Should a permit be issued and a  
21 culvert is required, the abutter shall provide, at the abutter's  
22 expense, a culvert satisfactory to the department, which the  
23 department shall install and ~~thereafter~~ maintain.

24 For locations on town ways and on state and state aid  
25 highways within the compact area of ~~a~~ an urban compact  
26 ~~municipality having a population of 6,000 and over~~ as defined in  
27 section 754, the municipality shall ~~be~~ is petitioned by the  
28 abutter pursuant to section 704. Should a permit be issued, the  
29 abutter shall provide, at the abutter's expense, a culvert  
30 satisfactory to the municipality, which the municipality shall  
31 install and ~~thereafter~~ maintain.

32 **Sec. E-2. 23 MRSA §754**, as amended by PL 1997, c. 539, §1 and  
33 affected by §2, is repealed and the following enacted in its  
34 place:

### 35 **§754. Town maintenance in compact areas**

36 1. Jurisdiction. Except as otherwise provided, all state  
37 and state aid highways within compact areas of urban compact  
38 municipalities as defined in this section must be maintained in  
39 good repair by the town in which the highways are located at the  
40 expense of the town. Municipalities must be notified one year in  
41 advance of changes in compact or built-up sections that place  
42 additional maintenance responsibilities on the municipalities.  
43 Municipalities may waive the requirement of the one-year notice.  
44 When any town neglects to maintain the highways within 14 days  
45 after notice given its municipal officers by the department, the  
46

2 department may proceed to make necessary repairs to that way,  
4 which must be paid for by the State and the cost for the repairs  
6 must be withheld from funds due the town under chapter 19,  
8 subchapter VI, Local Road Assistance Program. The amounts  
10 collected from these towns must be added to the fund for  
12 maintenance of state and state aid highways.

14 2. Urban compact municipalities and compact areas: opt-out  
16 provision. Urban compact municipalities and compact areas are  
18 comprised as follows and may opt out in accordance with the  
20 following.

22 A. Compact areas are compact or built-up sections, as  
24 defined by section 2, and include intermittent compact  
26 sections separated by short intervals that are not compact.  
28 The department may exclude from the compact area controlled  
30 access highways within compact sections. Compact areas are  
32 designated only in urban compact municipalities. Compact  
34 areas on local roads, for the purposes of calculation of  
36 distributions pursuant to chapter 19, subchapter VI, Local  
38 Road Assistance Program, is defined as those road segments  
40 in urban compact municipalities lying within compact areas  
42 as mapped by the department as of January 1, 1999.

44 B. Urban compact municipalities are those in which the  
46 population according to the last United States census  
48 exceeds 7,500 inhabitants. Urban compact municipalities are  
50 also those in which the population according to the last  
United States census is less than 7,500 inhabitants but more  
than 2,499 inhabitants, and in which the ratio of people  
employed in a municipality to employed people residing in a  
municipality according to the last United States census is  
1.0 or greater, and where the municipality has not exercised  
the opt-out provision of this section.

C. Any municipality with a population of less than 7,500  
according to the most recent United States Census and  
otherwise eligible to be a compact area municipality, and  
with no compact area summer maintenance responsibilities as  
of January 1, 1999, may opt not to be a compact area  
municipality and not to have a compact area, within one year  
of the effective date of this Act, or within 6 months of  
notification under this section. Any municipality eligible  
to be an urban compact municipality and that has compact  
area winter maintenance responsibilities on January 1, 1999,  
may choose to continue those winter maintenance  
responsibilities on state highways even upon opting out of  
new summer maintenance responsibilities pursuant to this  
paragraph. The department and the municipality shall  
negotiate maintenance responsibilities based on the most

2 cost effective routes and schedules for maintenance  
3 activities. A municipality that does not exercise its  
4 options under this paragraph may not do so at a later date.  
5 A municipality may not opt out of maintenance jurisdiction  
6 over roads upon an expansion of an established compact  
7 area. A municipality that is an urban compact municipality  
8 during one census period but does not meet the criteria of  
9 this section according to the subsequent United States  
10 census has the option to continue to be an urban compact  
11 municipality. The department may grant these towns  
12 financial assistance as it determines advisable to carry out  
13 the purposes of this section through chapter 19, subchapter  
14 VI, Local Road Assistance Program.

15 3. Good condition upon transfer. When the responsibility  
16 for maintenance of a section of state or state aid highway is to  
17 be transferred to a municipality as a result of population  
18 growth, and where the municipality is not eligible to opt not to  
19 become an urban compact town municipality according to this  
20 section, the department shall prepare a capital and maintenance  
21 plan to ensure that the section of state or state aid highway is  
22 in good repair at the time of transfer, the department shall  
23 prepare a capital and maintenance plan to ensure that the section  
24 of state or state aid highway is in good repair. The plan must  
25 be developed in consultation with the affected municipality. For  
26 the purpose of this section, "good repair" means actions intended  
27 to reasonably avoid nonroutine maintenance activities for a  
28 minimum of 10 years and includes consideration of ditching,  
29 culverts, major structural defects and pavement condition ratings  
30 of 3.3 or higher.

31 Sec. E-3. 23 MRSA §802, as amended by PL 1981, c. 492, Pt. C,  
32 §7, is further amended to read:

33 **§802. Maintenance by State**

34  
35 State aid highways shall must be continually maintained  
36 under the direction and control of the department at the expense  
37 of the State except as provided in section 754 and 1003.

38  
39 Sec. E-4. 23 MRSA §1001, 4th ¶, as amended by PL 1981, c. 588,  
40 §2, is further amended to read:

41  
42 The maintenance provisions of this section and sections 705,  
43 751, 1003 and 1005-A shall do not apply to these compact er  
44 built-up--sections--of--state--highway--in--cities--or--towns--whose  
45 population--according--to--the--last--United--States--census--exceeds  
46 6,000--inhabitants--and--the--snow--removal--provisions--shall--not--apply  
47 to--those--compact--or--built-up--sections,--and--"compact--areas"--as  
48 determined--by--the--department,--in--which--compact--sections--are  
49

intermittent and separated by a short interval or intervals of sections that are not compact, of state highway in cities or towns whose population according to the last United States census exceeds 3,500 inhabitants areas of urban compact municipalities as defined in section 754. The department may take over the snow removal on such portions of controlled access highways within compact sections as it deems advisable.

**Sec. E-5. Effective date.** This Part takes effect July 1, 1999.

## PART F

**Sec. F-1. 23 MRSA §1801,** as enacted by PL 1981, c. 492, Pt. C, §26, is repealed and the following enacted in its place:

### **§1801. Findings and purpose**

Municipal transportation assistance funds must be targeted to the capital needs of rural roads and highways and must also reflect urban maintenance responsibilities on state and state aid roadways.

Municipal transportation assistance funds must be adjusted according to increases or decreases in Highway Fund resources available for transportation.

Responsibility for decisions regarding maintenance and improvement of roads must follow the principle that roads that primarily serve regional or statewide needs must be the State's responsibility and roads that primarily serve local needs must be a local responsibility.

The Legislature recognizes that without municipal participation, the State has no resources to make necessary capital improvements to state aid minor collector highways.

The purpose of the Local Road Assistance Program is to provide equitable financial assistance to communities for their use in maintaining and improving local roads, maintaining state roads in urban compact areas and improving state aid minor collector highways.

In order to meet the purposes outlined above, the Local Road Assistance Program is restructured to create a Rural Road Initiative and an Urban Compact Initiative.

**Sec. F-2. 23 MRSA §1802-A, sub-§1,** as amended by PL 1995, c. 678, §1 and affected by §7, is repealed.



2           **Sec. F-3. 23 MRSA §1802-A, sub-§§1-A and 3** are enacted to read:

4           **1-A. Capital improvement.** A capital improvement is defined  
6           as any work on a road or bridge that has a life expectancy of at  
          least 10 years and restores the load-carrying capacity.

8           **3. State aid minor collector capital projects.** State aid  
10           minor collector capital projects are determined at the discretion  
12           of the department but must include, at minimum, road  
14           reconstruction or rehabilitation. Cost sharing for state aid  
          minor collector capital projects may not include enhancements  
          such as sidewalk construction or reconstruction.

16           **Sec. F-4. 23 MRSA §1803-B**, as amended by PL 1995, c. 678, §3  
18           and affected by §7, is further amended by repealing the headnote  
          and enacting the following in its place:

20           **§1803-B. Rural Road Initiative and Urban Compact Initiative**

22           **Sec. F-5. 23 MRSA §1803-B, sub-§1**, as amended by PL 1995, c.  
24           678, §3 and affected by §7, is repealed and the following enacted  
          in its place:

26           **1. Distribution and use of funds.** Funds from the Local  
28           Road Assistance Program must be distributed to each eligible  
          municipality, county or Indian reservation under the Rural Road  
          Initiative and the Urban Compact Initiative.

30           **A. Rural Road Initiative.**

32                   (1) Funds are distributed at a rate of \$600 per year  
34                   per lane mile for all state aid minor collector roads  
          and all local roads located outside urban compact areas  
          as defined in section 754.

36                   (2) Effective July 1, 2000, funds must be used for  
38                   capital improvements as defined by this chapter, or for  
40                   capital improvements to state aid minor collector  
          roads. Prior to July 1, 2000, funds must be used only  
          for the maintenance and improvement of public roads.

42           **B. Urban Compact Initiative.**

44                   (1) Funds are distributed at a rate of \$2,500 per year  
46                   per lane mile for summer maintenance performed by  
48                   municipalities on state and state aid highways in  
          compact areas as defined in section 754. For each lane  
          mile resulting from a highway with more than 2 lanes,

2 funds are reimbursed at a rate of \$1,250 per lane mile  
3 for summer maintenance in compact areas. Funds are  
4 distributed at a rate of \$1,700 per year per lane mile  
5 for winter maintenance performed by municipalities on  
6 state highways in compact areas as defined in sections  
7 754 and 1001 regardless of the number of lanes.

8 (2) Funds must be used only for the maintenance or  
9 improvement of public roads.

10  
11 C. The Local Road Assistance Program payment defined as the  
12 combined Urban Compact Initiative and Rural Road Initiative  
13 annual payment to any municipality may not be less than the  
14 town's fiscal year 1999 Local Road Assistance Program  
15 payment except as provided by paragraph D. When a  
16 municipality does not benefit from this paragraph during any  
17 one fiscal year, then the municipality is not eligible to  
18 benefit from this paragraph after that year.

19  
20 D. Beginning July 1, 2001, the annual funding dedicated for  
21 the Local Road Assistance Program bears the same percentage  
22 relationship to the Highway Fund allocation to the  
23 department as was provided during fiscal year 2001. On July  
24 1, 2001 and every July 1 thereafter, the reimbursement rates  
25 per lane mile must be adjusted proportionately according to  
26 revenue available pursuant to this paragraph. This  
27 paragraph may not serve to increase funding to  
28 municipalities that benefit from the hold harmless provision  
29 of this section beyond the fiscal year 1999 payment, but may  
30 serve to decrease hold harmless payments in a manner  
31 proportionate to a decrease in lane mile funding.

32 Sec. F-6. 23 MRSA §1803-B, sub-§4, as enacted by PL 1989, c.  
33 516, §4, is repealed.

34  
35 Sec. F-7. 23 MRSA §1803-B, sub-§§5 and 6 are enacted to read:

36  
37 5. State aid minor collector capital projects. State aid  
38 minor collector capital projects as defined by this chapter are  
39 financed with a 50% contribution of state funds and a 50%  
40 contribution of Rural Road Initiative funds. Other funds  
41 committed to the projects are matched by state funds at the  
42 discretion of the department.

43  
44 6. Municipal administration. Municipalities may choose to  
45 administer rural minor collector projects based on mutual  
46 agreement guided by policies and procedures adopted by the  
47 department. The department shall estimate a baseline cost to  
48 complete the project under the department's administration.

2 Municipal equipment contributions and municipal material  
3 contributions are included as part of the contribution of Rural  
4 Road Initiative funds. Project cost overruns beyond the baseline  
5 are financed by a 50% municipal and 50% state contribution.  
6 Project cost savings below the baseline accrue entirely to the  
7 credit of the municipality.

8 **Sec. F-8. 23 MRSA §1804**, as enacted by PL 1981, c. 492, Pt.  
9 C, §26, is amended to read:

10 **§1804. Municipal requirements**

11  
12 To be eligible to receive funds from the Local Road  
13 Assistance Program, each municipality shall, prior to August 1st  
14 each year, certify in a manner acceptable to the department that  
15 the funds ~~will--be~~ are used only--for--the--maintenance--or  
16 improvement--of--public--roads in a manner consistent with this  
17 chapter. To be eligible to receive funds from the Local Road  
18 Assistance Program's Rural Road Initiative, each municipality  
19 shall prior to October 1st of each even-numbered year submit a  
20 report to the department describing the intended state aid minor  
21 collector projects intended to be financed with funds currently  
22 available, funds provided over the 2-year period beginning July  
23 1st of the following year, and any other funds or financing.

24  
25 **Sec. F-9. 23 MRSA §1805**, as enacted by PL 1981, c. 492, Pt.  
26 C, §26, is repealed.

27  
28 **Sec. F-10. Effective date.** This Part takes effect July 1, 1999.

29  
30  
31 **PART G**

32  
33 **Sec. G-1. Reports.** The Department of Transportation shall  
34 report to the Legislature by January 15, 2001 on matters  
35 including but not limited to:

36  
37 1. Joint state and municipal efforts to address urban  
38 capital planning and programming, including the capital condition  
39 of urban compact highways; and

40  
41 2. The nature and extent of municipal participation in  
42 state aid minor collector capital projects.

43  
44 **Sec. G-2. Effective date.** This Part takes effect July 1, 1999.

45  
46  
47 **PART H**

2           **Sec. H-1. Transitional clause.** Disbursements to municipalities  
 4 during the first quarter of fiscal year 1999-00, beginning July  
 1, 1999, must be according to formulas existing prior to the  
 6 effective date of this Act.

8           **Emergency clause.** In view of the emergency cited in the  
 preamble, this Act takes effect July 1, 1999

10

**FISCAL NOTE**

12

14

1999-00                      2000-01

16

**Highway Fund Allocations**

18

PART A, Section A-1                      \$31,021,817            \$35,052,498

19

PART B, Section B-1                                      85,631                      92,894

20

PART C, Section C-1                                      (85,631)                      (92,894)

22

HIGHWAY FUND, TOTAL                                      31,021,817                      35,052,498

24

**HIGHWAY FUND REVENUE**

26

1999-00                      2000-01

28

**PART D**

30

Section D-1                                      22,786,944                      31,879,789

31

Section D-3                                      5,070,768                      6,818,762

32

HIGHWAY FUND REVENUE, TOTAL                                      \$27,857,712                      \$38,698,551

34

36

**SUMMARY**

38

This bill does the following:

40

**PART A**

42

Part A makes supplemental allocations from the Highway Fund.

44

**PART B**

46

Part B makes allocations from the Highway Fund for approved  
 48 reclassifications and range changes.

50

**PART C**

2 Part C makes allocations from the Highway Fund as reductions  
to support approved reclassifications and range changes.

4  
6 PART D

8 Part D does the following.

10 It amends the law to increase the excise tax on gasoline by  
5 cents per gallon effective September 1, 1999.

12 It amends the law to impose a inventory tax of 5 cents per  
gallon on gasoline held by suppliers and retail dealers as of  
14 August 31, 1999.

16 It amends the law to increase the excise tax on special fuel  
by 5 cents per gallon effective September 1, 1999.

18 It amends the law to impose an inventory tax of 5 cents per  
20 gallon on special fuel held by suppliers and retail dealers as of  
August 31, 1999.

22 PART E

24 Parts E does the following.

26 It amends the law to make jurisdiction over culverts  
28 consistent with the other provisions of this Part.

30 It amends the law to allow municipalities to waive the  
requirement of one-year notice prior to the transfer of  
32 maintenance responsibilities, redefine urban compacts and urban  
compact municipalities and make requirements for condition of the  
34 road at time of transfer of maintenance responsibility consistent  
with the other provisions of this Part.

36 It amends the law by redefining winter compacts or rural  
38 compact municipalities and thus alters the requirement for  
municipal winter snow removal on state highways.

40 It amends the law to make a technical adjustment which does  
42 not alter current practice.

44 PART F

46 Part F does the following.

48 It amends the law to restructure the Local Road Assistance  
Program and to create a Rural Road Initiative and an Urban  
Compact Initiative.

50

2 It amends the law to provide definitions of a capital  
improvement and a state aid minor collector capital project.

4 It amends the law to establish the Urban Compact Initiative  
and the Rural Road Initiative as components of the Local Road  
6 Assistance Program and sets funding formulas, eligibility  
requirements and limitations on the use of funds.

8  
10 It amends the law to provide for 50% municipal cost sharing  
on state aid minor collector capital projects.

12 It amends the law to allow for municipal administration of  
state aid minor collector capital projects, with cost savings  
14 accruing to the municipality.

16 It amends the law to require municipalities to biennially  
submit a list of planned projects on state aid minor collector  
18 highways.

20 PART G

22 Part G requires that the Department of Transportation make  
reports to the Legislature by January 15, 2001, regarding urban  
24 capital programming and municipal participation in state aid  
minor collector capital projects.

26  
28 PART H

Part H establishes transitional provisions.