

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1342

H.P. 1005

House of Representatives, March 5, 2001

**An Act to Enhance, Upgrade and Encourage Passenger Rail Service in
Maine through the Creation of a Rail Trust Fund.**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative RICHARDSON of Brunswick.
Cosponsored by Representatives: BLISS of South Portland, BULL of Freeport, COTE of
Lewiston, CUMMINGS of Portland, DUDLEY of Portland, GERZOFKY of Brunswick,
GREEN of Monmouth, HUTTON of Bowdoinham.

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

4 **Sec. 1. 23 MRSA §7103**, as amended by PL 1995, c. 504, Pt. B,
§8, is repealed.

6 **Sec. 2. 23 MRSA c. 621, sub-c. III** is enacted to read:

8 **SUBCHAPTER III**

10 **PASSENGER RAIL TRUST FUND**

12 **§8201. Purpose**

14 The Passenger Rail Trust Fund, referred to in this
16 subchapter as the "fund," is established to enhance, upgrade and
encourage passenger rail service in this State.

18 **§8202. Board of directors**

20 The Governor shall appoint 5 members to serve as a board of
22 directors to administer the fund. Members of the board serve at
the pleasure of the Governor.

24 **§8203. Use of fund**

26 The fund may be used only for:

28 1. Maintenance. Maintenance and improvements to passenger
30 rail infrastructure;

32 2. Purchase or lease of real property. The purchase or
lease of real property to support passenger rail service;

34 3. Operating assistance. Operating assistance to passenger
36 rail service providers offering service in this State;

38 4. Tax-credit incentive. A tax-credit incentive for
on-time service performance by passenger rail service providers
offering service in this State; and

40 5. Planning. Passenger rail planning provided by the
42 Department of Transportation.

44 **§8204. Source of funds**

46 The fund is funded from the following sources:

48 1. Excise taxes. All excise tax revenues collected from
50 railroad companies pursuant to Title 36, section 2625-A;

2 2. Use tax on special fuel tax refunds. All use tax
3 revenues on special fuel tax refunds collected from railroad
4 companies pursuant to Title 36, section 1864; and

6 3. Surtax. The surtax collected from railroad companies
7 that use infrastructure funded by the fund. The State Tax
8 Assessor and the Commissioner of Transportation jointly shall
9 develop a rate and method of collection for this surtax. The
10 State Tax Assessor and the Commissioner of Transportation shall
11 use the following criteria in developing the surtax:

12 A. The surtax shall be collected on a basis of passenger
13 use per track-mile; and

14 B. Railroad companies that pay the surtax are eligible for
15 a partial or full refund of the surtax based on on-time
16 passenger service performance.

18 **§8205. Rules**

20 The Commissioner of Transportation shall adopt rules
21 governing the implementation of this subchapter. Rules adopted
22 pursuant to this section are major substantive rules as defined
23 in Title 5, chapter 375, subchapter II-A.

24 **Sec. 3. 36 MRSA §1864** is enacted to read:

26 **§1864. Allocation of use tax on special fuel tax refunds**
27 **collected from railroads**

28 All use tax revenues on special fuel tax refunds collected
29 from railroad companies pursuant to section 3218 must be
30 allocated to the Passenger Rail Trust Fund, as established in
31 Title 23, section 8201, pursuant to Title 23, section 8204
32 subsection 2. The State Tax Assessor and the Commissioner of
33 Transportation jointly shall devise a method to calculate the
34 annual percentage of use tax revenue on special fuel tax refunds
35 that is collected from railroads.

36 **Sec. 4. 36 MRSA §2625-A** is enacted to read:

37 **§2625-A. Allocation of revenue**

38 All excise tax revenues collected from railroad companies
39 pursuant to this chapter must be allocated to the Passenger Rail
40 Trust Fund, pursuant to Title 23, section 8204, subsection 1.

SUMMARY

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4 This bill creates the Passenger Rail Trust Fund and
6 establishes a board of directors to administer the fund. The
8 fund may be used only for maintenance and improvements to
10 passenger rail infrastructure, the purchase or lease of real
12 property to support passenger rail service, operating assistance
14 to passenger rail service providers offering service in Maine, a
16 tax-credit incentive for on-time service performance by passenger
18 rail service providers offering service in Maine and passenger
20 rail planning provided by the Department of Transportation.

12 Sources of funds include all excise tax revenues collected
14 from railroad companies, use tax revenues on special fuel tax
16 refunds collected from railroad companies and a surtax collected
18 from railroad companies that use infrastructure supported by the
20 fund. The surtax may be collected on a basis of passenger use
per track-mile. Railroad companies that pay the surtax may be
eligible for a partial or full refund of the surtax based on
on-time passenger service performance.

22 The Commissioner of Transportation shall adopt rules
governing the implementation of the fund.