

# MAINE STATE LEGISLATURE

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*Mr. R.S.*

*CORRECTED COPY*

L.D. 2020

DATE: *4-2-02*

(Filing No. H-*1043*)

**MINORITY  
TRANSPORTATION**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
120TH LEGISLATURE  
SECOND REGULAR SESSION**

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COMMITTEE AMENDMENT "*B*" to H.P. 1516, L.D. 2020, Bill, "An Act to Promote the Fiscal Sustainability of the Highway Fund"

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Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

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'Sec. 1. 36 MRSA §1766 is enacted to read:

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**§1766. Monthly transfer to Highway Fund**

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Beginning on July 1, 2003, by the last day of each month, the assessor shall notify the State Controller and the Treasurer of State of the amount representing 13.7% of revenue attributable to the tax collected under this chapter in the previous month on sales reported by retailers that the State Tax Assessor determines are primarily in the business of selling new or used automobiles or trucks. This amount, reduced by the transfer to the Local Government Fund required by Title 30-A, section 5681, must be transferred to the Highway Fund.'

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

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**·FISCAL NOTE**

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Transferring 13.7% of the sales tax revenue collected from the sale of new and used automobiles and trucks from the General

**COMMITTEE AMENDMENT**

R.O.S.

COMMITTEE AMENDMENT "B" to H.P. 1516, L.D. 2020

2 Fund to the Highway Fund will result in the loss of \$22,594,268  
and \$24,719,169 in General Fund revenues in fiscal years 2003-04  
4 and 2004-05, respectively. The Highway Fund will realize revenue  
gains of the equivalent amounts during those same fiscal years.

6 The additional costs associated with certain transfers of  
sales tax revenue can be absorbed by the Bureau of Revenue  
8 Services within the Department of Administrative and Financial  
Services utilizing existing budgeted resources.'

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**SUMMARY**

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This amendment, which is the minority report, strikes the  
bill. The General Fund has grown at a substantially higher rate  
16 than the Highway Fund due to the Highway Fund's reliance on fuel  
taxes and fees that do not grow over time to reflect inflation,  
18 and this difference in growth rates has caused a substantial  
decline in the proportion of state revenues used to fund  
20 transportation.

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This amendment transfers certain funds from the General Fund  
to the Highway Fund in order to maintain and enhance highways and  
24 bridges, which are critical to the public welfare. Specifically,  
this amendment transfers 13.7% of the sales tax revenue  
26 associated with the sale of new or used automobiles or trucks  
from the General Fund to the Highway Fund.