

MAINE STATE LEGISLATURE

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TRANSPORTATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 802, L.D. 1159, Bill, "An Act To Promote Transportation Investments within Downtowns and Urban Compacts"

Amend the bill by striking out the title and substituting the following:

'An Act To Promote Municipal-State Transportation Investment Partnerships'

Further amend the bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 23 MRSA §703-B is enacted to read:

§703-B. Financing new road construction

If the municipal officers of one or more municipalities determine it necessary that a public road be constructed to spur economic development, downtown revitalization or neighborhood preservation; to create new housing stock; to promote mixed-use or densely settled village centers; or to enhance public safety, then the municipal officers may petition the Department of Transportation to finance from the Highway Fund up to 50% of the cost of the proposed road construction, subject to available funds. The municipality shall have a department-approved transportation plan for state and state aid highways and comply with the policies and procedures adopted by the department. The municipality is responsible for securing the balance of funds and for undertaking project design, permitting and construction following department guidelines. The public road must meet state

2 design standards and function as a major collector or arterial
3 highway as defined in department rules. Prior to the commitment
4 of funds by the department, the department shall notify the
5 participating municipalities of the likely classification of the
6 proposed road and what, if any, changes in classification might
7 result for existing public ways in the project area.

8 Sec. 2. 23 MRSA c. 19, sub-c. 6-A is enacted to read:

10 **SUBCHAPTER 6-A**

12 **TRANSPORTATION INVESTMENT PARTNERSHIPS**

14 **§1821. State aid for arterial and major collector highway**
15 **capital projects**

16 Municipalities may choose to participate in the arterial and
17 major collector highway capital projects program created under
18 this section. Participating municipalities shall have a
19 department-approved transportation plan for state and state aid
20 highways and comply with policies and procedures adopted by the
21 Department of Transportation. The plan must identify those
22 capital improvements needed to remove or mitigate substandard
23 conditions. A participating municipality may finance improvement
24 projects from the approved plan in either of the following ways:

25 1. State and municipal investments. Following
26 authorization of the transportation improvement project by the
27 Commissioner of Transportation and within 2 years of a mutual
28 agreement between the municipality and the Department of
29 Transportation and a financial commitment by the municipality,
30 the Treasurer of State shall make a deposit of Highway Fund
31 revenues and General Fund revenues, each fund amount equal to the
32 municipal contribution, into a Maine Municipal Bond Bank trust
33 account opened in the name of the municipality. The contributions
34 of local funds may not exceed the product of \$226 multiplied by
35 the passenger car equivalents at peak hour for traffic movement
36 permits issued under section 704-A for that municipality in the
37 prior year. Except for the Highway Fund contributions, money
38 deposited in the account may be used for utility and storm water
39 improvements related to the transportation improvement project; or

40 2. State, municipal and private investments. Following
41 authorization of the transportation improvement project by the
42 Commissioner of Transportation and within 2 years of a mutual
43 agreement between the municipality and the Department of
44 Transportation, the Treasurer of State shall make a deposit of
45 Highway Fund revenues equal to the municipal contribution into a
46 Maine Municipal Bond Bank trust account opened in the name of the
47 municipality. The contributions of local funds may not exceed
48 the municipal contribution.

2 the projected level of private investment in transportation
improvements within the plan area required under section 704-A.

4 This section does not relieve the Department of
Transportation of its obligation to make improvements to state
6 and state aid highways without municipal participation.'

8
10 **SUMMARY**

12 This amendment allows municipalities to petition the
14 Department of Transportation to finance proposed arterial and
16 major collector road construction projects. The department would
18 finance up to 50% of the cost of the proposed road construction
20 from the Highway Fund. The road must meet state design standards
22 and function as a major collector or arterial highway as defined
24 in Department of Transportation rules. Participating
municipalities shall have a department-approved transportation
plan for state and state aid highways and comply with policies
and procedures adopted by the department. The municipality may
finance improvement projects with contributions of local funds.
The amendment offers alternative financing mechanisms to the
Department of Transportation subject to a municipality's
voluntary decision to participate.

26
28 **FISCAL NOTE REQUIRED**
(See attached)



122nd MAINE LEGISLATURE

LD 1159

LR 1660(02)

An Act To Promote Transportation Investments within Downtowns and Urban Compacts

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Transportation

Fiscal Note Required: Yes

Fiscal Note

Potential current biennium cost impact - Highway Fund
Potential current biennium revenue savings - Highway Fund
Potential current biennium revenue savings - General Fund

Fiscal Detail and Notes

The authorization of alternative means of financing certain highway construction projects through a funding partnership with municipalities will have an undetermined effect upon both Highway Fund and General Fund resources. The net fiscal impact on each fund will depend on the number of projects approved by the Commissioner of Transportation for the use of these alternative funding mechanisms and the cost of each approved project. It is likely that use of these alternative funding mechanisms will result in partnerships with interested municipalities in which municipal funding is used to leverage existing state funding for the completion of state highway construction projects.