

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 1159

H.P. 802

House of Representatives, March 8, 2005

An Act To Promote Transportation Investments within Downtowns and Urban Compacts

Reference to the Committee on Transportation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FISHER of Brewer.
Cosponsored by Senator DAMON of Hancock and
Representatives: BARSTOW of Gorham, BROWN of South Berwick, COLLINS of Wells,
GERZOFKY of Brunswick, Senators: DIAMOND of Cumberland, SAVAGE of Knox.

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

4 **CONCEPT DRAFT**
6 **SUMMARY**

8 This bill is a concept draft pursuant to Joint Rule 208.

10 The bill would do the following.

12 1. It would apply to development projects that generate
14 more than 100 passenger car equivalents at the peak hour that are
16 located in:

18 A. An area designated as a growth management area in a
20 local growth management plan that has been found by the
22 State to be consistent with the growth management program;

 B. The compact area of an urban compact municipality; or

 C. A downtown as defined in the Maine Revised Statutes,
 Title 30-A, section 5222, subsection 8.

24 The Department of Transportation would be required to match each
26 dollar a municipality raises through the assessment of taxes on
28 the real and personal property value created by the project
30 through tax increment financing if the proceeds of that
32 assessment are expended to make transportation improvements that
34 are eligible for Highway Fund participation and will improve the
36 level of service or substandard conditions. No state funds may
38 be used to relieve the developer of financial obligations under a
40 traffic movement permit approved by the Department of
42 Transportation. Fifty percent of the unallocated surplus in the
44 Highway Fund at the end of each fiscal year must be set aside in
 a nonlapsing account to support this provision, but such account
 may not exceed \$10,000,000. In addition, if the above
 circumstances are met, the Department of Administrative and
 Financial Services would also be required to match each dollar
 raised through municipal tax increment financing with the
 eligible expenditure of those funds being for transportation
 improvements or related utility and storm water improvements.
 The department's contribution would be financed and limited by a
 defined portion of the state tax increment of net new sales and
 income taxes generated by the development project.

46 2. It would provide that for such development projects, the
48 Department of Transportation is authorized to use federal advance
 construction support with the up-front financing provided through
 private or municipal capital. The department would be authorized

2 to apply funds required to be expended by the developer as a
condition of a traffic movement permit to match federal funds and
4 finance debt to support advance construction as long as the
department uses those funds to complete a project that includes
6 the improvements the developer is required to make under the
traffic movement permit. The department would also be authorized
8 to apply the proceeds of tax increment financing derived from the
development project to match federal funds or support debt to
finance the cost of advance construction.

10
3. It would provide a process for municipalities to build
12 roads without federal or state financial participation that could
be purchased by the State or assumed for maintenance
14 responsibilities if the road meets state design standards and
criteria for classification as a major collector or arterial
16 highway.

18 4. It would provide a new structure for assessing traffic
impact fees on a regional basis that would be expended to address
20 deficiencies inside growth management areas, urban compacts or
downtowns caused in part by through traffic generated on a
22 regional basis.